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SUBJECT: Vietnam Wants to Conclude WTO Negotiations Before  
PM Visit

1. (SBU) Summary: In a meeting June 1, speaking on behalf of Prime Minister Phan Van Khai, Vice Foreign Minister (VFM) Vu Dung told Charge the GVN hopes to conclude WTO negotiations or achieve a "breakthrough" with the United States during the bilats June 13-16 in Washington. To that end, Vietnam plans to send five Vice Ministers to Washington to assist with the negotiations. The VFM also highlighted National Assembly efforts to finish relevant legislation in accordance with WTO requirements. VFM Dung repeatedly emphasized the importance of the PM's upcoming visit to the United States and said the GVN wants to make the WTO negotiations part of the success of that visit. End Summary.

PM Views Visit, WTO As Very Important  
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2. (SBU) At the request of the Foreign Ministry, Charge met with VFM Dung on June 1 to discuss U.S.-Vietnam bilateral WTO negotiations in the context of the upcoming visit of PM Khai to the United States. (Note: We rarely meet VFM Dung, who, among other things, is in charge of MFA administrative issues. MFA's other three Vice Ministers are either out of town or could not be pulled away to deliver this urgent message. VFM Dung conducted the meeting entirely in English and seemed well briefed on WTO issues. End Note.) VFM Dung said that the PM had personally asked him to meet with the Charge to convey the PM's thoughts on his visit and the status of WTO negotiations. According to Dung, the PM has stressed to the Government the importance of his visit to the United States. The visit comes at a crucial time for the two countries and the world is watching to see how the United States and Vietnam proceed from here.

3. (SBU) One issue the PM particularly wants to focus on, VFM Dung said, is Vietnam's WTO market access negotiations with the United States. The tenth meeting of the WTO Working Party on Vietnam's accession just concluded in Geneva. Many participants, including the United States, commended Vietnam for its efforts, multilaterally and bilaterally, VFM Dung said. The National Assembly is currently in the middle of its "longest session ever," is focused entirely on legislation relevant to WTO accession and recently provided copies of a number of draft laws to the WTO Secretariat for comment. Vietnam has concluded WTO negotiations with eight WTO members and expects to conclude with an additional eight members by mid June. (Note: There are rumors that Vietnam and South Korea will announce conclusion of their bilateral agreement this week. End Note.)

4. (SBU) With respect to U.S.-Vietnam WTO negotiations, VFM Dung said that although there are still some differences between Vietnam's offer and the United States' request, the GVN has resolved to improve the quality of the next round of negotiations. To that end, Vietnam will send a "strong team" to the United States for the bilats June 13-16. Vice Minister of Trade Luong Van Tu will lead the Vietnamese delegation. Vice Minister of Planning and Investment Nguyen Bich Dat, Vice Minister of Post and Telematics Tran Duc Lai, Vice Minister of Finance Le Thi Bang Tam, and Vice Minister of the Office of Government Nguyen Quoc Huy will accompany him. The PM is determined that Vietnam will do all it can to conclude negotiations with the United States during this round or at least achieve a breakthrough, VFM Dung said.

5. (SBU) For Vietnam, the VFM continued, the Prime Minister's trip to the United States is very important both politically and economically. The United States plays a leading role in the WTO and conclusion of bilateral negotiations with the United States will help Vietnam conclude its bilateral negotiations with other WTO members and become a full-fledged member of the world economic community. Vietnam is seeking "sympathy and understanding" from the United States because Vietnam is a poor, developing country. One of the WTO's principles is not to force developing countries to make commitments that go beyond their capacity. In Vietnam's case, implementation of the U.S.-Vietnam Bilateral Trade Agreement has proven the

benefits of trade liberalization. However, at the same time, Vietnam's capabilities are still limited. One of the GVN's goals for WTO accession is to promote positive, sustainable development for Vietnam. (Note: Deputy Prime Minister Vu Khoan made a similar appeal for sympathy to the American business community during a meeting in Ho Chi Minh City June 1. End Note.)

#### U.S. Supports Vietnam's Accession

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16. (SBU) The Charge reaffirmed U.S. support for Vietnam's WTO accession, noted that the USG also considers the PM's trip extremely important and said many USG agencies are working to make the PM's visit a success. He lauded GVN efforts to send a strong WTO team to Washington and promised to report on the efforts the GVN is making to achieve progress in the bilateral negotiations. The Charge added that the United States has consistently said that it will be difficult to conclude the bilats during the next round of negotiations, but assured the VFM that the United States will work with Vietnam to move the negotiations as far along as possible.

#### MFN For Others A Problem in Some Areas

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17. (SBU) VFM Dung concluded the meeting by expressing some concerns about application of the WTO's MFN principle. He acknowledged that when Vietnam reaches agreement with one member of the WTO on market access, it has to accord the same rights to other WTO members. This will be difficult for Vietnam in some sectors, such as transportation, he noted. While Vietnam would be happy to grant market access in this areas to the United States, it is concerned about having to grant the same access to other trade partners who might look to set up extensive transportation networks in Vietnam.

#### Comment

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18. (SBU) The GVN clearly is banking on making significant progress during the WTO bilats June 13-16 and remains determined to link success of the bilats to success of the PM's visit. While it remains unclear if this "high-powered" delegation will be able to make necessary concessions in key areas such as telecommunications, we see the addition of the Vice Minister of Post and Telematics Tran Duc Lai to the delegation as a positive sign.

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